

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 01-0187P

Gross and Adjusted Gross Income Tax
Fiscal Years Ended 06/30/97, 06/30/98, and 06/30/99

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ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer holds ownership interest in a joint venture that conducts distribution activity within the state of Indiana. Upon audit it was discovered that the taxpayer failed to correctly report its partnership distributive share of income for two years of the audit.

I. **Tax Administration** – Penalty

DISCUSSION

Taxpayer was assessed a penalty for failure to correctly report all of its partnership distributive share income in 1997 and 1998.

Taxpayer, in a letter dated May 14, 2001 protested penalties assessed because it has been a diligent corporate citizen filing returns and submitting tax liabilities consistently and timely. Further it continues to assist Indiana in all corporate tax matters relating to its business. It requests consideration in abating the penalty.

The audit revealed that the taxpayer failed to remit twenty three percent (23%) and thirty three percent (33%) in gross income tax for fiscal years 1997 and 1998, respectively, for issues that are clear in the Indiana Code and Departmental Regulations. Further, taxpayer has not provided reasonable cause to allow the Department to waive the penalty.

FINDING

Taxpayer's protest is denied.